



State of Utah

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### UTAH'S EMPLOYMENT SITUATION: OCTOBER 2008

Utah's nonfarm wage and salaried job count for October 2008, as compared against October 2007, is estimated to have contracted by 0.2 percent. September's employment growth rate is unrevised at 0.1 percent growth. Approximately 2,200 jobs have been removed from the Utah economy over the past year, lowering total wage and salary employment to 1,262,342.

Utah's other primary indicator of current labor market conditions, the seasonally adjusted unemployment rate, remained the same as September's rate of 3.5 percent. Last October, the state's rate was 2.8 percent. Approximately 48,700 Utahns were considered unemployed in October, compared against 38,600 last October, an increase of over 10,000 people. The United States unemployment rate rose noticeably to 6.5 percent.

Mark Knold, chief economist for the Department of Workforce Services, commented, "It is time for round two in the economic downturn that's affecting Utah. Round one was largely the housing market, or construction phase. Utah's economy weakened, but it was very much concentrated upon the construction industry—in particular, residential construction. Round two is the phase where now industries other than construction are starting to slump and will drive Utah's employment count into contraction. These include manufacturing, financial activities, information, professional and business services, and eventually the trade sector. Construction is in no position to offer a rebound as nonresidential construction job losses are expected to begin soon, further adding to that industry's woes. In light of recent national events, the Utah economic outlook for 2009 has turned quite bearish. An employment contraction of 1.5 percent, or 19,000 fewer jobs, is now expected. If proven true, this will be Utah's sharpest employment downturn since 1954."

"The national financial crisis of the previous month was the final act that knocked the legs out from underneath a wobbly Utah economy. Utah is not an island and is not immune from the consequences of such an epic event. It is analogous to a room full of light bulbs. Some bulbs are 25 watts, some 60, some 75, others 100. When the switch is on, Utah is a 100 watt bulb. Utah thrives in a positive economic environment. But when the switch is turned off, all bulbs dim."

Five industry sectors are now losing jobs in Utah. Construction remains the most influential, with year-to-date employment losses of 13,400 positions. This far outdistances all other declining industries. But the manufacturing sector is down 1,800 jobs, financial activities down 1,200, information down 600, and other services down 300.

#### **Utah Labor Market Indicators October 2008**

**Employment Change: -0.2%**  
**Employment Increase: -2,200**  
**Unemployment Rate: 3.5%**

#### **United States**

**Employment Change: -0.9%**  
**Unemployment Rate: 6.5%**

The stalwart of the Utah economy remains education and healthcare. Year-over employment gains of 5,800 stand in sharp contrast to the actions that are surrounding the remainder of the economy. It is anticipated that this industry will remain a job producer throughout the next year. It has grown at a 4-percent or higher growth rate for the past ten years, even through the dot com recession earlier this decade. People continue to demand healthcare even during tough economic times. As for education, there is historically a noticeable flight toward the higher education system when the economy turns downward, as people use education to not only update and enhance their skills, but to also ride out a weak economy.

This same motivation is a reason that government is another industry that usually grows during an economic downturn. Much of Utah's higher education system is government-run. But local government is also a big educator at the K-12 level, and Utah is undergoing a sizeable growth in its elementary age population, which is fueling teacher growth. Also, down economies stimulate increased demand for government social services.

The trade, transportation, and utilities sector grew over the year by 3,500 positions, currently making it Utah's second strongest industrial sector. But the developing economic winds do not bode well for this industry, particularly the trade component. Consumer spending is very vulnerable in this type of economic environment. Utah has held up well to date largely because of a lack of large or across-the-board job losses. But that fortune may be about to change. If the forecast of anticipated job losses in other industries now materializes, then consumer spending will slump and job losses will then infect this industry. Fortunately, rapidly falling fuel prices are a boon for the transportation industry at a time when other economic pressure points are working against it.

Other than the energy region of Utah's Uintah Basin, nearly the entire state is feeling the affects of the economic slowdown. Possibly the metropolitan counties are feeling it more, as they had the higher overruns in housing prices and their housing-fueled past economic boom has now gone bust.

Washington County (St. George area) is a prime example of this. Here is an economy that was constantly growing even through past recessions—sometimes remarkably. For example, between 2004 and 2006, the Washington County economy grew by 20 percent. It only took two years to grow the economy by one-fifth. Usually such excessive growth suggests stealing prosperity from the future, and that seems to be Washington County's case. Employment growth is currently on the decline, with the over-the-year job count down 3.8 percent and probably destined to fall even more. This is one of Utah's hardest-hit counties in relation to the housing market downturn. Overbuilding and overpricing were the result of the previous 20-percent expansion. Markets have a way of pushing economic variables back into balance, even at the expense of falling prices and falling employment. Washington County's fortunes may need a few more years before a turnaround is in store.

**\* Utah's November employment numbers will be released at 9:00 a.m. on Tuesday, December 16, 2008.**

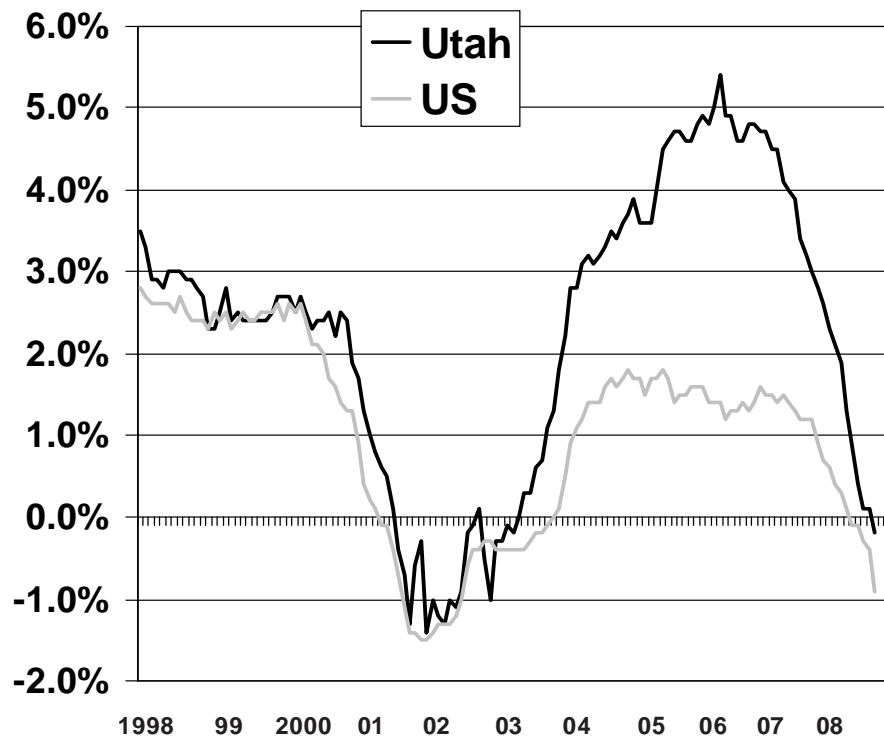
**\* Utah's county unemployment numbers will be release on Monday, November 24.**

## Utah Nonagricultural Jobs by Industry and Components of the Labor Force

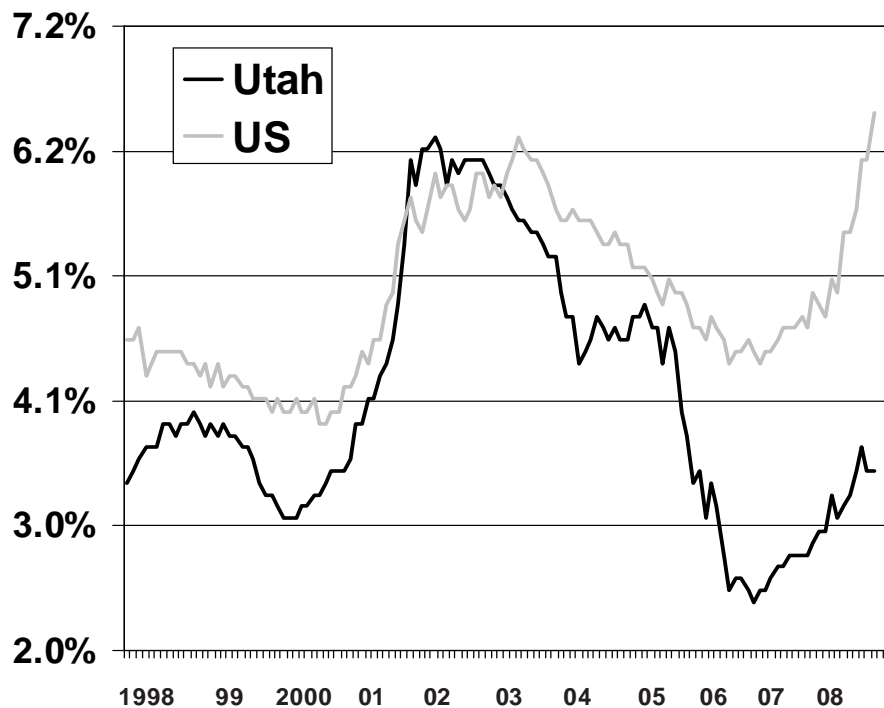
Numbers are in thousands	October(f) 2008	October 2007	Percentage Change	Sept.(r) 2008	Sept. 2007	Percentage Change
<b>CIVILIAN LABOR FORCE (seasonally-adjusted)</b>	<b>1,384.0</b>	<b>1,376.2</b>	<b>0.6</b>	<b>1,387.6</b>	<b>1,372.6</b>	<b>1.1</b>
Employed	1,335.3	1,337.6	-0.2	1,339.2	1,334.2	0.4
Unemployed	48.7	38.6	26.2	48.4	38.4	26.0
Unemployment Rate	3.5	2.8		3.5	2.8	
<b>NONAGRICULTURAL EMPLOYMENT (Thousands)</b>	<b>1,262.3</b>	<b>1,264.5</b>	<b>-0.2</b>	<b>1,264.8</b>	<b>1,263.6</b>	<b>0.1</b>
Not seasonally-adjusted						
<b>GOODS PRODUCING</b>	<b>230.5</b>	<b>244.8</b>	<b>-5.9</b>	<b>233.0</b>	<b>247.3</b>	<b>-5.8</b>
Natural Resources, and Mining	12.2	11.3	7.7	11.8	11.1	6.6
Construction	91.7	105.1	-12.8	94.3	107.9	-12.6
Construction of Buildings	18.7	22.5	-16.6	19.1	22.8	-16.0
Heavy and Civil Engineering	11.0	12.1	-9.5	11.7	12.6	
Specialty Trade Contractors	62.0	70.6	-12.1	63.5	72.5	-12.4
Manufacturing	126.6	128.4	-1.4	126.9	128.3	-1.1
Durable Goods	84.7	87.5	-3.1	85.5	87.7	-2.5
Primary and Fabricated Metals	16.6	16.6	0.3	16.7	16.6	0.7
Computer and Electronic Products	13.3	13.0	2.3	13.3	13.0	2.2
Transportation and Equipment Manufacturing	14.1	14.3	-1.5	14.2	14.4	-1.8
Non-Durable Goods	41.9	40.9	2.4	41.4	40.6	1.9
<b>SERVICES PROVIDING</b>	<b>1,031.8</b>	<b>1,019.5</b>	<b>1.2</b>	<b>1,031.8</b>	<b>1,016.1</b>	<b>1.5</b>
Trade, Transportation, and Utilities	251.4	247.9	1.4	250.0	246.8	1.3
Wholesale Trade	48.9	47.8	2.3	48.9	47.6	2.8
Retail Trade	150.8	149.2	1.1	150.1	148.5	1.1
Motor Vehicle and Parts Dealers	19.0	19.0	0.2	19.1	19.0	0.4
Food and Beverage Stores	25.1	24.0	4.3	25.0	24.1	3.8
General Merchandise Stores	29.0	28.2	2.6	28.4	27.8	2.2
Transportation and Utilities	51.1	50.9	0.4	50.9	50.7	0.3
Utilities	4.2	4.2	-0.1	4.1	4.1	0.1
Transportation & Warehousing	46.9	46.7	0.4	46.7	46.6	0.3
Air Transportation	6.9	7.1	-3.7	7.0	7.1	-0.8
Truck Transportation	19.3	19.3	0.4	19.4	19.2	1.1
Information	31.8	32.4	-2.1	31.8	32.3	-1.7
Publishing Industries	10.2	10.1	0.6	10.1	9.9	1.5
Motion Picture and Sound Recording	4.3	3.9	10.8	4.3	4.1	5.1
Telecommunications	6.1	7.1	-14.5	6.1	7.1	-14.6
Internet Service Providers	5.3	5.1	2.9	5.3	5.0	4.6
Financial Activities	73.5	74.7	-1.6	73.2	74.4	-1.6
Finance and Insurance	55.3	56.0	-1.4	55.1	55.9	-1.3
Real Estate and Rental and Leasing	18.3	18.6	-2.1	18.1	18.5	-2.4
Professional and Business Services	164.9	164.2	0.5	164.3	162.7	1.0
Professional, Scientific, and Technical Services	69.2	65.9	5.1	68.4	65.0	5.1
Architectural, Engineering, and Related	13.9	13.6	2.2	14.0	13.5	3.4
Computer Systems Design and Related	16.4	15.0	9.1	16.2	14.9	9.3
Management of Companies and Enterprises	20.6	20.5	0.4	20.5	20.5	0.2
Administration & Support						
& Waste Management & Remediation	75.2	77.8	-3.4	75.4	77.2	-2.3
Employment Services	22.0	25.4	-13.4	21.9	24.8	-12.0
Business Support Services	16.2	16.0	1.3	15.6	15.6	0.1
Education and Health Services	149.6	143.8	4.1	148.7	142.4	4.4
Educational Services	34.0	33.4	1.7	32.9	32.2	2.2
Health Services and Social Assistance	115.6	110.3	4.8	115.7	110.2	5.0
Ambulatory Health Care Services	47.0	44.4	6.0	47.3	44.5	6.2
Hospitals	31.0	30.0	3.3	30.9	29.8	3.8
Nursing and Residential Care Facilities	21.5	20.5	4.9	21.6	20.6	4.9
Social Assistance	16.0	15.4	4.1	16.0	15.3	4.2
Leisure and Hospitality	111.8	110.0	1.6	116.0	113.1	2.6
Arts, Entertainment, and Recreation	16.1	16.0	0.5	17.9	17.2	4.2
Accommodation and Food Services	95.7	94.0	1.8	98.1	95.9	2.3
Accommodation	17.8	17.3	2.8	18.6	18.0	3.4
Food Services and Drinking Places	77.9	76.6	1.6	79.5	77.9	2.0
Other Services	35.3	35.6	-0.9	35.8	35.8	0.2
Government	214.2	210.9	1.5	212.1	208.6	1.7
Federal Government	34.4	35.0	-1.5	34.9	35.5	-1.6
Federal Defense	15.4	15.7	-2.0	15.5	16.1	-3.7
Other Federal Government	19.1	19.3	-1.1	19.4	19.4	0.1
State Government	65.1	65.0	0.3	64.5	64.0	0.7
State Schools	36.9	36.5	1.3	36.2	35.6	1.6
Other State Government	28.2	28.5	-1.1	28.3	28.4	-0.4
Local Government	114.6	111.0	3.2	112.6	109.0	3.3
Local Education	65.5	63.8	2.6	63.0	61.2	2.9
Other Local Government	49.1	47.2	4.1	49.7	47.8	3.9

Source: Utah Department of Workforce Services f = forecast r = revised November 18, 2008

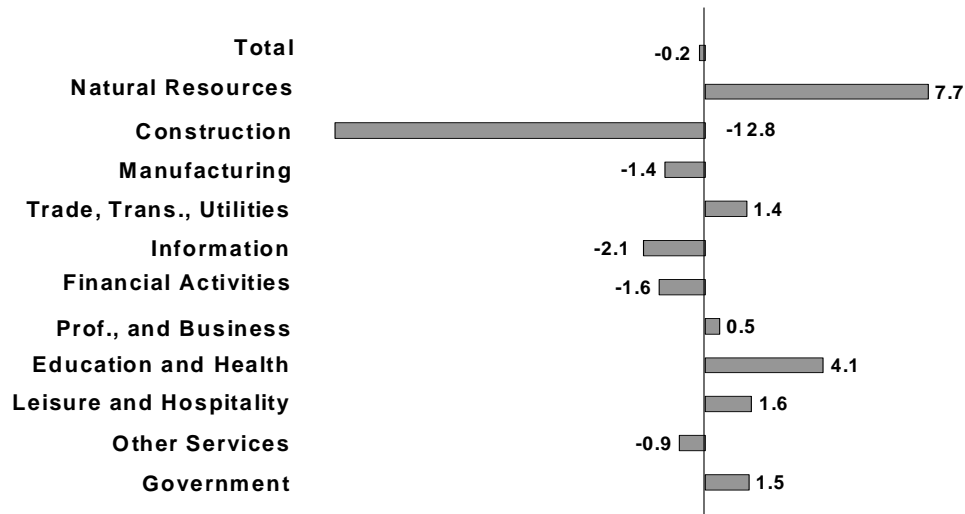
## Year-Over Percent Change in Nonfarm Jobs



## Seasonally Adjusted Unemployment Rates

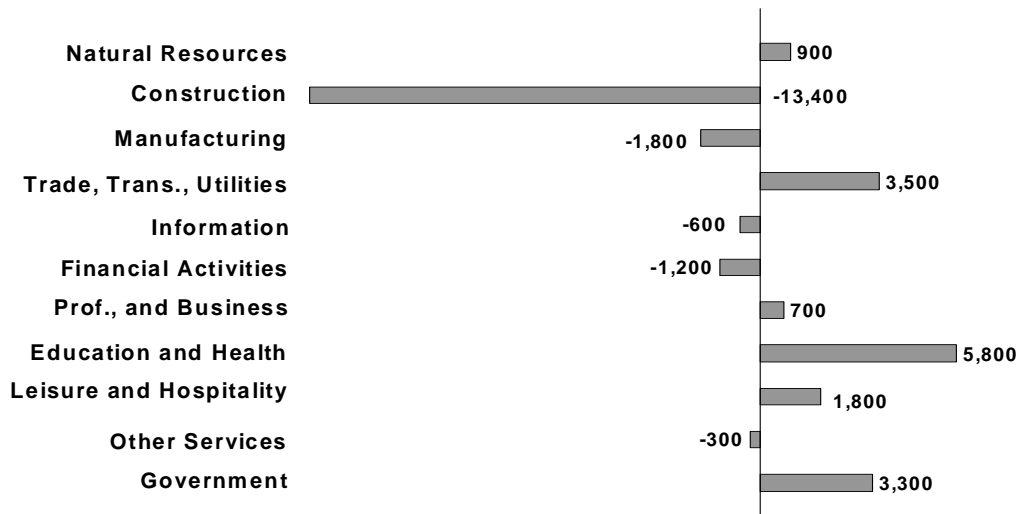


## Utah Nonfarm Industry Profile (Percent Change) October 2007 – 2008



Source: Utah Department of Workforce Services

## Utah Nonfarm Industry Profile (Numeric Change) October 2007 – 2008



Source: Utah Department of Workforce Services

## NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	October 2008(f)	October 2007	Percent Change	September 2008(r)	August 2008(r)
<b>State Total</b>	1,262,342	1,264,751	-0.2	1,264,834	1,255,596
<b>Bear River</b>	73,127	72,744	0.5	73,079	70,324
Box Elder	20,892	20,762	0.6	21,100	20,460
Cache	51,500	51,260	0.5	51,100	48,900
Rich	735	722	1.8	879	964
<b>Wasatch Front</b>	824,237	825,107	-0.1	825,507	826,195
<b>North</b>	201,866	202,492	-0.3	202,466	202,679
Davis	104,259	103,941	0.3	104,753	104,967
Morgan	1,983	2,042	-2.9	1,976	1,992
Weber	95,624	96,509	-0.9	95,738	95,720
<b>South</b>	622,371	622,615	0.0	623,041	623,516
Salt Lake	606,506	607,017	-0.1	607,088	607,631
Tooele	15,865	15,598	1.7	15,953	15,885
<b>Mountainland</b>	215,325	217,116	-0.8	215,609	210,770
Summit	20,917	20,308	3.0	20,873	21,193
Utah	187,385	189,340	-1.0	187,695	182,930
Wasatch	7,023	7,468	-6.0	7,041	6,647
<b>Central</b>	25,157	25,194	-0.1	25,574	24,656
Juab	3,358	3,815	-12.0	3,388	3,378
Millard	3,919	3,959	-1.0	4,038	3,955
Piute	340	368	-7.5	354	345
Sanpete	7,923	7,696	2.9	8,078	7,328
Sevier	8,496	8,236	3.2	8,555	8,466
Wayne	1,120	1,120	0.0	1,161	1,185
<b>Southwestern</b>	77,366	79,547	-2.7	77,989	76,400
Beaver	2,174	2,060	5.5	2,264	2,167
Garfield	2,640	2,512	5.1	2,790	2,868
Iron	16,976	17,287	-1.8	16,988	15,644
Kane	3,231	3,264	-1.0	3,372	3,474
Washington	52,345	54,424	-3.8	52,575	52,247
<b>Uintah Basin</b>	24,560	22,643	8.5	24,405	24,301
Daggett	404	488	-17.1	459	472
Duchesne	8,695	7,600	14.4	8,634	8,633
Uintah	15,461	14,555	6.2	15,313	15,196
<b>Southeastern</b>	22,570	22,400	0.8	22,671	22,949
Carbon	9,288	9,222	0.7	9,295	9,336
Emery	4,021	3,936	2.2	3,965	4,102
Grand	4,967	4,892	1.5	5,073	5,175
San Juan	4,294	4,350	-1.3	4,338	4,336

f = forecast r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information, 11/18/08